










Financing & funding programmes

Do you already know which costs you have to bear when setting up your business? Find out here which options you have to finance your plans.

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You already know how much money you will need to set up your business? Now is the time to raise the necessary capital. The [Platform for Founders](#)  has an overview of options for this endeavour.

Equity and bank loans

In financing, there is generally made a distinction between equity and borrowed capital. Your [equity](#)  is the financial cornerstone of your business. It includes your personal assets (e.g. cash and savings) and objects that become part of your business (e.g. machinery and equipment).

Generally, this means that the more funds you raise on your own have, the more independent you are. For banks, equity serves as security. Ideally, equity should amount to at least 20 percent of your overall capital.


Surveys indicate that “insufficient securities” and “too little equity” are the most common reasons why banks reject a loan application.

You can obtain loans from a regular bank or a savings bank (*Sparkasse*). The type of bank and loan best suited for your business depends on the amount of money you need, as well as how long you will need it for. You could find a suitable financial institution on the [Gründerplattform](#) .

In general, the longer the loan period and the higher the risk (assessed by your bank), the higher the interest you will have to pay for the loan. It is therefore important that you convince the bank of your plans with a well-developed [business plan](#). It is also crucial that you have sufficient equity.



Please beware

Be well prepared for the meeting with your bank advisor. Keep in mind that [important documents](#)  could support and benefit your argumentation. A realistic assessment of your strengths and weaknesses will make a trustworthy impression on your advisor. Before you go to the bank interview, take full advantage of one of the many [information centres](#) for entrepreneurs.



Funding programmes



Germany supports entrepreneurs with a number of funding programmes – financial aid that gives you more security at the beginning. As a rule, these are public loans that could offer you more favourable conditions with regard to interest rates, loan periods or repayment. In order to apply for such funding, your private place of residence as well as your company’s operations must be located in the Federal Republic of Germany.


In Germany, entrepreneurs are offered various options for financial support:

- State-aided loan: [microloans](#), microloans provided by the federal states, [development loans](#) of the Federal Government;
- [Suretyship](#);
- Equity: [micromezzanine fund](#), [high-tech start-up fund](#), other [financing options](#);
- Non-repayable grant: [start-up subsidy](#), [start-up allowance](#) or subsidies for [technology or knowledge-oriented start-ups](#);

Further explanations of the above-mentioned support can also be found in the PDF file on “[Overview of funding opportunities for start-up and growth financing](#)”.

You can find an [overview of public funding programmes](#)  on the start-up portal or in the [funding database](#) , which guides you to the appropriate offer step by step.

You can also find information on the respective funding options directly at the KfW banking group: use the [product finder](#)  to find out which offers are right for you. The [funding product finder](#)  from the Platform for Founders also helps you find support that is tailored to your needs.

In addition, you will find a compilation of the nationwide funding institutions at [investitionsbank.info](#) . There you can find out which development bank is available in your [federal state](#) so that you can search for suitable funding programmes in your area.

Information on the web

Funding Database

[Step by step towards the right funding programme](#)

Exist – University-based business startups

[Find out about available support for technological and knowledge-based startups](#)

BMWK GründerZeiten no. 28: Start-ups: Financing and venture capital

[Information on grants, loans, guarantees, equity and expertise](#)



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URL: <https://www.make-it-in-germany.com/en/working-in-germany/setting-up-business/preparation-consultation/financing-funding>

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